



Joan McDonald
Commissioner



State of Connecticut
Department of Economic and
Community Development

***TESTIMONY SUBMITTED TO THE HOUSING COMMITTEE
February 19, 2009***

*Joan McDonald, Commissioner
Department of Economic and Community Development*

HB 6378 AN ACT CONCERNING RELIEF FOR FAMILIES FACING FORECLOSURE

The Department of Economic and Community Development (DECD) offers the following information in **SUPPORT** of *HB 6378 AN ACT CONCERNING RELIEF FOR FAMILIES FACING FORECLOSURE*.

Everyday we hear in the media how the economic climate is in both Connecticut and the U.S. Housing permits are down, foreclosures are up, jobs are leaving the state and country faster than we can count them, and we are in the middle of one of the worst recessions of all time.

Yesterday President Obama signed into law a new \$75 billion plan to help prevent an estimated 9 million people from losing their homes to foreclosure. The link between housing and a thriving economy is undeniable, and this is something that Governor Rell knows as well as President Obama. This is exactly why she has done so much during her tenure as Governor in order to help homeowners who are struggling with their mortgages. She started a Sub-Prime Mortgage Task Force to study the subprime market in Connecticut. She implemented the CT Families Program in order to help struggling families refinance their homes in order to obtain more affordable payments. She also championed the Emergency Mortgage Assistance Program (EMAP) which can help homeowners keep their homes by providing financial assistance on their behalf to their mortgage companies.

This bill will continue her efforts to help families facing foreclosure. This bill will open up existing CHFA programs to any Connecticut homeowner that is facing a financial hardship that makes them unable to pay their mortgage. If homeowners have significant losses of income and their mortgages rise, they would be eligible to apply for funding. This amendment would allow numerous homeowners to qualify for financial assistance and keep them in their homes. This, as well as encouraging job retention and growth, will be paramount in our ability to overcome these tough times and turn Connecticut's economy around.

Thank you for your time and consideration of my comments.